

Voluntary Film Tax Credit Audits

For applications received after September 30, 2015

Effective January 1, 2012, the Georgia Department of Revenue initiated a voluntary program for Film Tax Credit verification. The program provides taxpayers the opportunity to verify costs that are eligible for the credit.

This review will require a fee. This fee will be determined based upon the total production costs within the State of Georgia. The fee cost is outlined below:

- Production costs of \$500,000 to \$1,000,000 \$ 5,000 Fee
- Production costs of \$1,000,000 to \$5,000,000 \$10,000 Fee
- Production costs of \$5,000,000 to \$10,000,000 \$20,000 Fee
- Production costs in excess of \$10,000,000 \$25,000 Fee

An application form (see Related Files link below) must be completed and submitted to the Georgia Department of Revenue. A **copy of the approved certification letter(s)** from the *Department of Economic Development, Georgia Film, Music & Digital Entertainment Office* must be submitted with each application. Upon receipt of the application and fee the authorized individual named on the application will be contacted to coordinate this verification. Verification documents will be discussed with each requester and a mutually agreed upon time will be scheduled to coordinate such review. In addition to the fee, the requester will be responsible for out of pocket expenses incurred by the Department. This new fee will apply to any applications in which the production is in a completed state and the application is postmarked on or after October 1, 2015. Fees are subject to change. Verification reviews will be done on a first come/first serve basis and all pertinent transaction documents, accounting source documents and other requested data will be required to be made available at the time of the scheduled review.

Application and applicable fee must be sent to the address listed below:

Georgia Department of Revenue
1800 Century Blvd NE
Suite 18100
Atlanta, GA 30345
Attn: Compliance Division – Voluntary Film Tax Credit Audit

Once the audit is complete, the Georgia Department of Revenue will issue an authorization letter for the verified amount of credits. The verification language will read as follows: *"The Department has audited the Film Tax Credit for the tax year ending MM/DD/YYYY. The Department has verified \$\$AMOUNT of Film Tax Credits. The Department shall be bound by the findings of this Film Tax Credit audit, even if the Department subsequently performs an audit for non-Film Tax Credit reasons. If the credit is sold, the seller must file Form IT-TRANS within 30 days of the sale. Additionally, the production company must file Form IT-FC and the DECD Certification with the applicable Georgia income tax return in order for the credit to be allowed to a purchaser or for the production company to utilize the credit."*

If the Department certifies an amount that is smaller than the taxpayer believes they are entitled to, and the tax return has not yet been filed by the taxpayer and the taxpayer still believes the larger amount qualifies, the taxpayer should claim the larger amount on their return when it is filed. Once it is disallowed by the Department, the taxpayer will have the normal appeal rights that are available with respect to credits that are disallowed on a tax return. For further information or specific questions, please contact Anita M. DeGumbia ([\(404\) 417-6436](tel:404-417-6436)).